

UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA

CR 11-202 JNE/AJB

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|---------------------------|---|-------------------------|
| UNITED STATES OF AMERICA, |) | INDICTMENT |
| |) | |
| Plaintiff, |) | (18 U.S.C. § 2) |
| |) | (18 U.S.C. § 982(a)(1)) |
| v. |) | (18 U.S.C. § 1343) |
| |) | (18 U.S.C. § 1349) |
| HANNAH NOEL PERLICH, |) | (28 U.S.C. § 2461(c)) |
| |) | |
| Defendant. |) | |

THE UNITED STATES GRAND JURY CHARGES THAT:

BACKGROUND

1. At times relevant to this indictment, defendant HANNAH NOEL PERLICH was a resident of the State of Minnesota.
2. At times relevant to this indictment, defendant HANNAH NOEL PERLICH worked as a loan officer for two mortgage brokerage companies licensed and regulated under the laws of the State of Minnesota, St. Joseph's Financial and Legacy Lending.
3. While working as a loan officer at St. Joseph's Financial and Legacy Lending, defendant participated in a scheme whereby mortgage loans were obtained for dollar amounts substantially in excess of the purchase price of the property through the use of inflated property appraisals, concealed payments from mortgage loan proceeds were diverted to buyers of real properties and other individuals through the use of fraudulent underwriting and closing documentation, and the funds in excess of the purchase price were then misappropriated by the participants in the fraudulent scheme.

SCANNED

JUN 21 2011

U.S. DISTRICT COURT MPLS

FILED

JUN 21 2011

RICHARD D. SLETTEN, CLERK

JUDGMENT ENTERED

DEPUTY CLERK'S INITIALS

4. Defendant, or others acting in concert with her, caused fraudulent loan application documentation to be provided to potential lenders for purposes of loan underwriting. The fraudulent documentation misrepresented the true terms of the proposed transaction. Among other things, the documentation:
(1) falsely identified the purchaser of the property;
(2) falsely indicated that the property would be "owner occupied;" (3) inflated the borrower's income and/or assets;
(4) inflated the purchase price of the property; (5) inflated the appraised value of the property; (6) failed to disclose to the lenders that funds in excess of the actual purchase price of the real property would be misappropriated by the co-conspirators; and (7) concealed payments that were to be made from the loan proceeds to participants in the scheme. The false representations and omissions were material, because mortgage lenders rely on the actual purchase price paid by the buyer to assure that the loan is fully collateralized by real property of a sufficient value.
5. In furtherance of the fraud scheme, defendant, and others acting in concert with her, transmitted and caused to be transmitted in interstate commerce, certain wire transmissions, including, but not limited to, fraudulent loan application documentation provided to potential lenders for purposes of loan underwriting. In addition, the mortgage loan

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funds obtained pursuant to the fraudulent loan application documentation were routinely wired by the lenders as part of the settlement of the mortgage lending transactions.

6. Through this scheme, defendant, and others acting in concert with her, participated in multiple fraudulent residential property transactions and obtained mortgage loans totaling more than \$3 million for these transactions.
7. Most of the buyers have defaulted on these mortgage loans, resulting in significant losses to the mortgage holders.

COUNTS 1-6
(Wire Fraud)

8. The grand jury re-alleges the allegations contained in paragraphs 1 through 7, of this Indictment.
9. From in or about 2005, through in or about 2006, in the State and District of Minnesota, the defendant,

HANNAH NOEL PERLICH,

and others known and unknown to the grand jury, each aiding and abetting the other, devised and intended to devise a scheme and artifice to defraud and to obtain money by means of materially false and fraudulent pretenses, representations, and concealment of material facts.

10. On or about the dates set forth below, in the State and District of Minnesota, the defendant,

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along with others known and unknown to the Grand Jury, each aiding and abetting the other, for the purpose of executing the above-described scheme and artifice, did knowingly cause to be transmitted, in interstate commerce, by means of wire communication, certain signals and sounds, as further described below:

| Count | On or About Date | Wire Communication |
|-------|------------------|---|
| 1 | January 25, 2006 | Facsimile transmission of loan approval for the purchase of 7XX Reaney Avenue, St. Paul, Minnesota, from Baytree Lending in Oakbrook Terrace, Illinois, to Legacy Lending in Dayton, Minnesota |
| 2 | January 31, 2006 | Wire transfer of \$395,000 for the purchase of a residence at 49XX Logan Avenue South, Minneapolis, Minnesota, from Bank One, in Chicago, Illinois, to North Central Title, in Minneapolis, Minnesota |
| 3 | April 26, 2006 | Fax of 1003 Application from Legacy Lending, in Dayton, Minnesota, to Meritage Mortgage, Beaverton, Oregon, for purchase of house at 3XXX Bryant Ave South, Minneapolis, Minnesota |
| 4 | April 27, 2006 | Email from Meritage Mortgage, Beaverton, Oregon, to North Central Title concerning wire of \$463,426.16 for the purchase of 3XXX Bryant Ave South, Minneapolis, Minnesota |

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| | | |
|---|--------------------|--|
| 5 | September 28, 2006 | Wire transfer in the amount of \$644,333.78 from Deutsche Bank Trust Co., in New York, New York, to Private Bank, Minneapolis, Minnesota, for the purchase of 6XX Second St. South, Minneapolis, Minnesota |
| 6 | October 4, 2006 | Wire transfer in the amount of \$445,732.40 from Deutsche Bank from Deutsche Bank Trust Co., in New York, New York, to Private Bank, Minneapolis, Minnesota, for the purchase of 5XX South 7th St., Minneapolis, Minnesota |

All in violation of Title 18, United States Code, Section 1343 and 2.

COUNT 7

(Conspiracy to Commit Wire Fraud)

11. The grand jury re-alleges the allegations contained in paragraphs 1 through 10, of this Indictment.
12. From in or about 2005, through in or about 2006, in the State and District of Minnesota, defendant,

HANNAH NOEL PERLICH,

along with others known and unknown to the grand jury, did knowingly and willfully combine, conspire, and agree with each other and other persons known and unknown to the Grand Jury to commit offenses against the United States, including executing a scheme and artifice to defraud and to obtain money, by knowingly causing to be transmitted, in interstate commerce,

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by means of wire communication, certain signals and sounds, in violation of Title 18, United States Code, Section 1343

PURPOSE OF THE CONSPIRACY

13. The purpose of the conspiracy was to fraudulently obtain loan proceeds by making materially false representations and concealing material information about the residential property purchases.

MANNER AND MEANS

14. As described above, the manner and means of the conspiracy included:
- a. Falsely representing to mortgage loan lenders that the inflated price of the residence was the true sales price;
 - b. Falsely representing the buyer's true financial situation to mortgage loan lenders; and
 - c. Falsely representing to mortgage loan lenders the buyer's true financial stake in the purchase of one or more residences.

All in violation Title 18, United States Code, Section 1349.

FORFEITURE ALLEGATIONS

The Grand Jury re-alleges and incorporates paragraphs 1 through 14 of the Indictment, and makes it a part of these forfeiture allegations.

As the result of the offenses alleged in Counts 1 through 11

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of this Indictment, the defendant,

HANNAH NOEL PERLICH,

shall forfeit to the United States pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c), all his rights, title and interest in any property constituting, or derived from, proceeds traceable to the violations of Title 18, United States Code, Section 1343, 1349 and 2.

If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

- (1) cannot be located upon the exercise of due diligence;
- (2) has been transferred or sold to, or deposited with, a third person;
- (3) has been placed beyond the jurisdiction of the Court;
- (4) has been substantially diminished in value; or
- (5) has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1) and by Title 28, United States Code, Section 2461(c), to seek forfeiture of any other property of defendant up to the value of the above forfeitable property. All in violation of Title 18, United States Code, Sections 2,

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981(a)(1)(C), 982(a)(1), 1343, 1349, and Title 28, United States Code, Section 2461(c).

A TRUE BILL

UNITED STATES ATTORNEY

FOREPERSON